

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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June 16, 2016

Jimmie Cho, Senior Vice President
Southern California Gas Company
Gas Operations and System Integrity
555 W 5th Street, GT21C3
Los Angeles, CA 90013

GI2015-11-SCG61-2A

SUBJECT: General Order 112 Gas Audit of Southern California Gas Southeast Region-Desert Valley

Dear Mr. Cho:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112 inspection of Southern California Gas Company's (SoCalGas) Southeast Region-Desert Valley area (Blythe, El Centro, Palm Desert, and Yucca Valley) on November 2-6, 2015.¹ The inspection included a review of the Region's records for the period of January 1, 2013 through December 31, 2014, as well as a representative field sample of the Region's facilities. SED staff also reviewed the Region's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter. The Summary reflects only those particular records and facilities that SED inspected during the audit.

Within 30 days of your receipt of this letter, please provide a written response indicating the measures taken by PG&E to address the violations and observations noted in the Summary. Pursuant to Commission Resolution ALJ-274, SED staff has the authority to issue citations for each violation found during the audit.

If you have any questions, please contact Fred Hanes at (415) 703-5264 or by email at fred.hanes@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

Enclosure: Summary of Inspection Findings

¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 156-06-044.

cc: Troy Bauer, Pipeline Safety and Compliance, SoCalGas
Nadia Hang, Pipeline Safety and Compliance, SoCalGas
Jeff Koskie, Pipeline Safety and Compliance, SoCalGas

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

A. Internal Audit Findings

Prior to the start of the inspection, SoCalGas provided internal audit results for Past Due Inspection Orders and Inspection Orders Completed Late. There were no late or past due orders reported.

B. SED Findings

1. Title 49 CFR §192.459 states:

“Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion is the pipe is bare, or if the coating is deteriorated.”

During the inspection, SED requested pipe condition examination records for instances when leak repairs were made on larger diameter buried steel pipe (4” and 6”). SoCalGas provided pipe condition documentation for only two out of twelve repairs made during the inspection period. It cannot be determined if all of the exposed portions for the remaining ten repairs were examined for evidence of external corrosion as required.

SoCalGas is in violation of CFR §192.459.

2. Title 49 CFR §192.491(c) states in part:

“Each operator shall keep a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist.”

SED found that the SoCalGas Procedures for atmospheric corrosion inspection of meter sets and associated riser piping do not specify that records of all inspections must be kept. SoCalGas Procedure 186.02, section 4.2.3, only requires records if the inspector finds corrosion.

SoCalGas said that they are planning to revise the meter set inspection procedures to include comprehensive record keeping in the near future.

However, during the audit, SoCalGas did not provide records of atmospheric corrosion inspection for all above-ground piping.

SoCalGas is in violation of CFR §192.491(c).

3. Title 49 CFR §192.465(d) states in part:

“Each operator shall take prompt remedial action to correct any deficiencies indicated by the external corrosion control monitoring.”

SED found that one CP Area, designated 29P REC 1A in the Twenty Nine Palms district, had been down from 10/05/2012 to 04/18/2014, longer than 15 months before correction.

Additionally, the May 19, 1989, Federal Pipeline and Hazardous Materials Safety Administration's (PHMSA) Inspection Guideline and Interpretation #PI-89-006 for 192.465(d) states that, as a rule of thumb, PHMSA interprets "prompt" as having the "correction completed by the time of the next scheduled monitoring". CP Areas are monitored annually, not to exceed 15 months.

SoCal Gas is in violation of CFR §192.465(d)

II. Areas of Concern/ Observations/ Recommendations

A. LOW PIPE-TO-SOIL READINGS

During the field visit, SED observed the following readings that were less negative than the lower limits established by SoCalGas according to Part 192 criteria:

Annual Read Points

Area	Point	Location	Audit Read 2015	Lower Limit	SoCal 2014
PV 111	A0000	72310 BARBARA DR, MSA RF	-0.333 V	-0.569 V	-0.574 V
TNP 27	C0000	71644 JUANITA DR - MSA/RB	-0.424 V	-0.451 V	-0.467 V
ELC REC1430	J0000	ADAMS AV W/O IMPERIAL AV	-0.490 V	-0.550 V	-0.577V
IMP 10	A0000	ETS @ SE CORNER "J" & 12TH	-0.499 V	-0.850 V	-0.853 V
NIL 3	B0000	304 NOFFSINGER MSA YLM	-0.659 V	-0.850 V	-0.857 V
BLY 10	C0000	393 N SOLANO AV,5'S/N LOT LN	-0.713 V	-0.850 V	-0.899 V
YUCA REC1	L0000	56041 BUENA VSTA DR, MSA ZBL	-0.732 V	-0.850 V	-0.685 V
INTF032	A0000	ETS:"B" ST,241'E/8TH ST.	-0.748 V	-0.850 V	-0.779 V
*PSP REC1	N0000	2696 CAMINO REAL, MSA RM	-0.760 V	-0.850 V	-0.461 V
BLY 17	A0000	211 6TH STREET (MSA BHLF1)	-0.781 V	-0.850 V	-0.876 V
BLY 45	A0000	TAP AT LINE 2000	-0.807 V	-0.850 V	-0.890 V
BRA 21	D0000	ETS:611 REINA CT,SMC, 188'W/IMPERIAL AV	-0.812 V	-0.850 V	-0.874 V
YUC 21	D0000	7736 JOSHUA LANE MSA RF	-0.831 V	-0.850 V	-0.853 V

10%-er Read Points

Area	Location	Audit Read	Lower Limit	SoCal Last Read
GD.INL.ELC.SH.00460144	1048 BARNARD, BLYTHE	-0.815 V	-0.850 V	-0.950 V
GD.INL.ELC.SH.01008741	381 WILLOW, BLYTHE	-0.428 V	-0.850 V	-0.930 V
GD.INL.PMD.SH.00826621	43525 WARNER . PALM DESERT	-0.304 V	-0.850 V	-0.910 V
GD.INL.PMD.SH.00457232	38665 CHARLESWORTH. CATHEDRAL C	-0.632 V	-0.850 V	-0.940 V

Please provide SED an update on action(s) taken by SoCal to bring the pipe-to-soil readings at these locations back into compliance.

B. Span Condition

During the audit, SED observed that Span 08 had a number of large rocks on top of the pipeline. SoCalGas span inspection reports have stated that heavy rocks covering the pipeline, and the steep hillside location, make it difficult for inspectors to examine the span for atmospheric corrosion and leak surveys. Span 08 is part of a distribution main that includes a section of exposed 2" steel pipe.

Routine inspections of the pipeline have not found any corrosion or leaks as yet. SoCalGas performed an Engineering Review of this span, dated 10/21/14, which recommends the pipeline should be abandoned and replaced with a new distribution pipeline along a safer route. That project requires approval from the landowners. The Engineering Review did not indicate that an immediate threat exists.

As of April 2016, SoCal informed SED that the rocks had been removed and the exposed span was repainted. Landowner approval for a new pipeline route was still pending.

SED notes that the steep hillside location was identified in the SoCal Engineering Review as a safety concern for inspectors. Please notify SED when Span 08 has been replaced, or an estimated date of the span replacement.